

## Services

### UNITED STATES TRANSPORTATION COMMAND (USTRANSCOM) SPECIAL MORALE AND WELFARE (SM&W) EXPENDITURES

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**BY ORDER OF THE DEPUTY COMMANDER**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY.**

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*Approved by: TCJ8 (Arthur J. Coleman, Jr., SES)*  
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This instruction establishes the policy and procedures for United States Transportation Command (USTRANSCOM) staff agencies to request Special Morale and Welfare (SM&W) support from the Commander, USTRANSCOM (TCCC). It outlines SM&W request and processing procedures and disbursement of funds. It implements Air Force Instruction (AFI) 34-201, Chapter 12. Send comments and suggested improvements to this instruction on Air Force (AF) Form 847, Recommendation for Change of Publication, to USTRANSCOM/TCJ8-BH. The use of a name or mark of any specific manufacturer, commercial product, commodity, or service in this publication does not imply endorsement by USTRANSCOM. It is applicable to all USTRANSCOM directorates and Command Support Group (CSG) offices at Scott AFB IL.

### SUMMARY OF REVISIONS

Overall generally updates the text and attachments and implements a new format for requesting SM&W funds. Updates references and prescribes requesting and approval procedures.

*NOTE:* Since this directive has been revised in its entirety, asterisks will not be used to identify revised material.

**1. References and Supporting Information.** References, related publications, abbreviations, acronyms, and terms used in this publication are listed in Attachment 1.

**2. General.** Commander, Air Mobility Command (AMC), provides SM&W support to USTRANSCOM in accordance with (IAW) AFI 34-201, Use of Nonappropriated Funds (NAFs), and AMC Supplement 1 to AFI 34-201. The USTRANSCOM SM&W program derives funds from the AMC Morale, Welfare, and Recreation Command Fund (AMWRF), subject to the limitations in AFI

34-201 and the Headquarters (HQ) AMC Services Guide to Special Morale and Welfare and Related Expenditures.

### **3. Responsibilities:**

**3.1.** Based on Commander, USTRANSCOM's "dual hat" status as Cdr AMC, the AMC Commander's review and approval of quarterly SM&W expenditures satisfies the "commander's involvement" requirement for Commander, USTRANSCOM.

**3.2.** Commander, USTRANSCOM delegated approval authority for all USTRANSCOM SM&W expenditures as follows:

**3.2.1.** Less than \$1,000: Chief and Deputy Chief of Protocol (TCCS-P) and Chief of Staff Executive Officer (TCCS-E).

**3.2.2.** \$1,000 and more: Deputy Commander, USTRANSCOM (TCDC), Chief of Staff, USTRANSCOM (TCCS), and Commander and Deputy Commander Executive Officers, USTRANSCOM (TCCC-E & TCDC-E).

**3.3.** USTRANSCOM /TCJ8-BH (Budget):

**3.3.1.** Prepares the SM&W budget for Commander, USTRANSCOM approval and obtains final approval from HQ AMC/A7 based on funding availability.

**3.3.2.** Administers the SM&W program for the Commander, USTRANSCOM ensuring all written SM&W requests and funds allocation comply with applicable directives. In such instances where stock supplies or mementos are used, USTRANSCOM Protocol (TCCS-P) will ensure compliance with all applicable directives.

**3.3.3.** Reviews all formal written requests for expenditures of SM&W funds from USTRANSCOM staff agencies and advises on propriety of expenditures. *Note: This authority is not restricted by dollar limitation.*

**3.3.4.** Ensures all approved requests are properly expensed.

**3.3.5.** Maintains Petty Cash Fund.

**3.4.** USTRANSCOM Protocol (TCCS-P):

**3.4.1.** Inventories and controls refreshments, mementos, and other stock items, and ensures that mementos are not purchased for resale.

**3.4.2.** Ensures the inventory system provides a clear audit trail for items purchased, and records the specific purposes and events for which each item is issued, to include names of individuals receiving mementos.

**3.4.3.** Ensures appointed disinterested persons conduct an annual inventory, and forwards inventory certifications to TCJ8-BH and HQ AMC/A7 per AFI 34-201.

**3.5.** Collateral Support. HQ AMC/A7:

**3.5.1.** Performs final review of SM&W expenditures for propriety.

**3.5.2.** Maintains a record of all USTRANSCOM SM&W expenditures.

**3.5.3.** Prepares procurement and disbursement documents and forwards to TCJ8-BH.

**3.5.4.** Incorporates USTRANSCOM's annual SM&W requirements for AMC Nonappropriated Fund Council review for AMC Commander approval.

**3.5.5.** Prepares quarterly SM&W expenditure report and furnishes a copy to TCJ8-BH.

**3.6.** All USTRANSCOM staff agencies requesting SM&W support must follow the procedures outlined in paragraph 4.

#### **4. Operational Procedures:**

**4.1.** All requests for SM&W support must be submitted to TCJ8-BH at least 5 workdays in advance of event date by completing the AMC HQ Form 37, Request for Special Morale and Welfare Funds (see sample at Attachment 2). SM&W support requests must be approved prior to obligating funds. Specific SM&W guidelines are provided at Attachment 3.

**4.2.** TCJ8-BH will review request for propriety and forward to appropriate approval authority.

**4.3.** Approved/disapproved requests will be returned to TCJ8-BH who will notify project officer of final status.

**4.4.** Requests for items stocked by USTRANSCOM Protocol should be sent directly to TCCS-P to obtain necessary approval. TCCS-P maintains a supply of common-use items (i.e., coffee, cream, sugar, etc.) for use at approved functions.

**4.5.** Petty cash is available in TCJ8-BH for approved expenditures up to \$150. The Petty Cash Fund Custodian will ensure all petty cash disbursements fall within the provisions of AFI 34-201 and are supported by receipts. Reimbursement will only be made for items specified on approved request. When requesting use of the Petty Cash Fund, the following procedures apply.

**4.5.1.** Project officer presents approved request to TCJ8-BH and verbally requests a cash advance. Cash advances are subject to availability of petty cash. If funds for the advance are not readily available, follow the guidelines in paragraph 4.5.2.

**4.5.1.1.** Petty Cash Fund Custodian prepares an advance voucher, which must be signed by project officer before funds can be advanced.

**4.5.1.2.** Project officer must hand-carry original receipt(s) and any unused monies to TCJ8-BH no later than 3 days after the event.

**4.5.1.3.** After return of unused petty cash and receipts, the fund custodian completes the NAF Petty Cash/Refund Voucher and obtains the project officer's signature.

**4.5.2.** When project officer does not request an advance, the following procedures apply:

**4.5.2.1.** Project officer makes approved purchases and hand-carries original receipts to TCJ8-BH no later than 3 days after the event.

**4.5.2.2.** Petty Cash Fund Custodian completes the Petty Cash/Refund Voucher, obtains the project officer's signature, and reimburses project officer for all prior-approved purchases.

**4.5.3.** If original receipt not available, the project officer prepares a letter to be signed by the Executive Officer verifying the purchases to include list and cost of specific items purchased.

**4.5.4.** The Petty Cash Fund Custodian replenishes the petty cash fund from HQ AMC/A7 when necessary but, as a minimum, the first workday following last day of each month.

**4.6.** For expenditures exceeding \$150, TCJ8-BH requests direct purchase from HQ AMC/A7.

**NOTE:** Only authorized agents within HQ AMC/A7 can obligate SM&W funds (excluding petty cash). Representatives authorized to sign for and receive petty cash may make disbursements from

*petty cash for those expenses authorized in AFI 34-201, Chapter 12. HQ AMC/A7 must prepare all procurement documents in advance of the purchase of goods and services. Failure to do so requires ratification action IAW AFI 64-301, Nonappropriated Fund Contracting.*

**4.6.1.** The project officer provides signed receiving report or other documentation to TCJ8-BH within 1-3 working days of receipt of goods or services.

**4.6.2.** TCJ8-BH forwards all invoices, signed copies of receiving reports, or other documentation to HQ AMC/A7 for final payment.

**4.6.3.** Obligation of funds must not exceed the amount of the procurement document or approved request.

**4.7.** When approved events are held at The Scott Club, the project officer must present the Club with a copy of approved AMC HQ Form 37 and a letter with instructions to charge the USTRANSCOM SM&W account. The project officer will get the account number from TCJ8-BH.

ARTHUR J. COLEMAN, JR  
Director, Program Analysis  
and Financial Management

Attachments:

1. Glossary of References, Abbreviations, Acronyms, and Terms
2. Sample AMC HQ Form 37, Request for Special Morale and Welfare Funds
3. Specific SM&W Guidelines

## **GLOSSARY OF REFERENCES, ABBREVIATIONS, ACRONYMS, AND TERMS**

### *References:*

Department of Defense (DOD) Directive (DODD) 5500.7, Standards of Conduct

DOD 5500.7-R, Joint Ethics Regulation (JER)

Air Force Instruction (AFI) 34-201, Use of Nonappropriated Funds (NAFs)

AFI 34-201, Air Mobility Command (AMC) Supplement 1, Use of Nonappropriated Funds (NAFs)

AFI 34-209, Nonappropriated Fund Financial Management and Accounting

AFI 64-301, Nonappropriated Fund Contracting Policy

AFI 65-107, Nonappropriated Funds Financial Management Oversight Responsibilities

AFI 65-601V1, Budget Guidance and Procedures

AFI 65-603, Official Representation Funds Guidance and Procedures

AMC Headquarters Operating Instruction (HOI) 34-201, AMC Headquarters Special Morale and Welfare (SM&W) Expenditures

Headquarters AMC/A7 Guide to Special Morale and Welfare and Related Expenditures, Mar 97

### *Abbreviations and Acronyms:*

AF - Air Force

AMC - Air Mobility Command

AMC/A7 - Air Mobility Command, Director of Services

APFs - Appropriated Funds

CSG - Command Support Group

DOD - Department of Defense

MWRCF - Morale, Welfare and Recreation Command Fund

NAFs - Nonappropriated Funds

NCO - Noncommissioned Officer

PCA - Permanent Change of Assignment

PCS - Permanent Change of Station

SM&W - Special Morale and Welfare

TCCC- Commander, USTRANSCOM

TCCC-E - Executive Officer to the Commander, USTRANSCOM

TCCS - Chief of Staff, USTRANSCOM

TCCS-E - Executive Officer to Chief of Staff, USTRANSCOM

TCCS-IM - USTRANSCOM Information Management

TCCS-JS - USTRANSCOM Joint Secretariat

TCCS-P - USTRANSCOM Protocol

TCDC - Deputy Commander, USTRANSCOM

TCDC-E - Executive Officer to the Deputy Commander, USTRANSCOM

TCJ8-BH - Directorate of Program Analysis and Financial Management (TCJ8), Hq and IT Budget Branch

USTRANSCOM - United States Transportation Command

# REQUEST FOR SPECIAL MORALE AND WELFARE FUNDS

## SECTION I. (To be completed by requester)

1. TO <div style="text-align: center;">TCJ8-BH</div>		2. FROM <div style="text-align: center;">TCJ7</div>		3. PROJECT OFFICER AND EXTENSION SRA John Doe/229-5555	
4. DATE <div style="text-align: center;">20040401</div>			5. AMOUNT REQUESTED <div style="text-align: center;">\$55.00</div>		
6. INFORMATION TO SUPPORT REQUEST					
A. FUNCTION/EVENT Promotion			B. DATE AND PLACE 15 April 2004/Seay Auditorium		
C. GUEST(S) OF HONOR MSgt Jane Smith					
D. ATTENDANCE:		OFFICERS	10	ENLISTED	20
		CIVILIAN	5	DV	1
E. TOTAL COSTS <div style="text-align: center;">\$55.00</div>			F. AVERAGE COST PER PERSON <div style="text-align: center;">\$1.53</div>		
(1) FOOD <div style="text-align: right;">\$25.00</div>		(3) MEMENTO		(5) OTHER (DESCRIBE)	
(2) BEVERAGE <div style="text-align: right;">\$10.00</div>		(4) OTHER (DESCRIBE) <div style="text-align: right;">\$20.00</div>		(6) OTHER (DESCRIBE)	

## G. REMARKS (Describe type of food/beverage and cost per item)

Cake and Cookies: \$25.00  
Punch Supplies: \$10.00  
Corsage for Spouse: \$20.00

----- SAMPLE -----

7. I certify that this request represents the minimum amount required to achieve the desired outcome. I understand that I cannot obligate the Air Force for any costs exceeding the amount approved. I FURTHER UNDERSTAND THAT RECEIPTS ARE REQUIRED FOR REIMBURSEMENT OF EXPENDITURES AND MUST BE TURNED IN WITHIN 2 WORKDAYS OF THE EVENT. REIMBURSEMENT CAN BE OBTAINED ON MONDAY THROUGH FRIDAY FROM 0800 - 1100.

8. NAME, GRADE, TITLE OF REQUESTER JAMES E. JONES, Lt Col, USAF Executive Officer, TCJ7	9. SIGNATURE	10. DATE <div style="text-align: center;">20040401</div>
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## SECTION II. (To be completed by individual reviewing propriety of expenditure)

1. TO	2. FROM	3. DATE
4. Expenditure is <input type="checkbox"/> is not <input type="checkbox"/> authorized SM&W support IAW AFI 34-201, Table 12.1, Rule No. _____ Control Number _____ (Optional)		
Recommend APPROVAL <input type="checkbox"/> DISAPPROVAL <input type="checkbox"/>		
5. NAME, GRADE, TITLE OF REVIEWING OFFICIAL	6. SIGNATURE	7. DATE

## SECTION III. (To be completed by approving authority)

1. TO	2. <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	3. AMOUNT
4. NAME, GRADE, TITLE OF APPROVING AUTHORITY	5. SIGNATURE	6. DATE

### **Attachment 3 - SPECIFIC SM&W GUIDELINES**

#### **1. General Guidelines:**

- 1.1.** All expenditures must be approved in advance. Request (AMC HQ Form 37) must arrive at TCJ8-BH no later than 5 working days prior to function.
- 1.2.** Expenditures must be conservative.
- 1.3.** Expenditures must be in the best interest of the Command and benefit the military community.
- 1.4.** Expenditures must not be limited to specific grades and/or groups of personnel.
- 1.5.** Requester must use good judgment in evaluating each requirement.
- 1.6.** Requester must give personal and close scrutiny to each expenditure.
- 1.7.** Requester must not assume that funds are automatically available--must wait for notification of approval from TCJ8-BH.
- 1.8.** Requester must document each expenditure.
- 1.9.** TCCS-P must inventory mementos, coffee, creamer, etc., purchased for stock. SM&W Fund and Official Representation Fund inventory items may not be commingled.
- 1.10.** Refreshments, when authorized, are defined as nonalcoholic beverages, desserts, or snacks and limited to one serving per attendee.
- 1.11.** Heavy hors d'oeuvres, including meat, fish or fowl products, are specifically prohibited. Small appetizers (i.e., meat on crackers) are permitted.

**2. Permissible Expenditures.** Those delegated approval authority will not approve funds for SM&W purposes if funds are authorized elsewhere in AFI 34-201, or if funds are authorized from appropriated funds (APFs) (AFI 65-603, Official Representation Funds Guidance), or under AFI 65-601V1, Budget Guidance and Procedures. SM&W support may be requested for the following permissible events.

**2.1.** Individual recognition programs for military and civilian employees.

**2.1.1.** Trophies, nominal monetary awards, and meals for award winners - Airman, NCO, Civilian, and Officer of the Quarter and Year.

**2.1.2.** Insignia for promotions. (Officer only. Enlisted insignia must be purchased with appropriated funds.)

**2.1.3.** Mementos for retirements. Total cost of item presented must not exceed \$20.

**2.1.4.** Corsage/boutonniere (\$20) for spouse at promotion and retirement ceremonies.

**2.1.5.** Light refreshments at recognition events, limited as follows:

**2.1.5.1.** Official Award Ceremonies--\$40.

**2.1.5.2.** Promotions--\$30.

**2.1.5.3.** Retirements--\$40.

**2.2.** Quarterly Commander's Call (light refreshments only--\$100 limit).

**2.3.** Memorial observances (patriotic, national, local) that uphold traditions of the Service and the United States of America.

**2.4.** Flowers or wreaths upon death of a military member or civilian employee of USTRANSCOM, member of their immediate family, or death of a distinguished leader of the local community with strong ties to the base (\$100 limit). Immediate family is defined as spouse, parent, child, grandparent, grandchild.

**2.5.** Nominal donations to charitable organizations in lieu of flowers when requested by the bereaved (\$50 limit).

**2.6.** Local civic affairs and events furthering the Command's morale by promoting and fostering good relations between the Command and civilian communities. Authorized expenditures include payment for receptions and meals (as long as not in TDY status) at official events hosted by community leaders. These

expenditures are those not authorized from appropriated funds under AFI 65-603 and are limited to commanders or their designated representatives.

**2.7.** Commander, USTRANSCOM's hosting of visiting government and nongovernment personnel not authorized support from appropriated funds.

**2.8.** Light refreshments at change of command ceremonies when the commander determines that the presence of refreshments will contribute to the success of the ceremony.

**NOTE:** Commissary surcharges will be reimbursed; however, retail sales tax will not be reimbursed. To obtain a tax exemption from vendors charging sales tax, you must present a sales tax exemption letter. A copy of this letter may be obtained from TCJ8-BH.

**3. Prohibited Expenditures.** Those delegated approval authority will not expend SM&W funds for:

**3.1.** Expenditures for conferences, workshops, and seminars.

**3.2.** Purposes that do not have a direct relationship to the overall morale and welfare of the Command and the interests of the DOD.

**3.3.** Any purpose for which the use of MWR nonappropriated funds (NAF) is expressly prohibited in AFI 34-201, Chapter 12.

**3.4.** Any use that would conflict with DOD Directive 5500.7, Standards of Conduct.

**3.5.** Any use that could circumvent administrative or legal restrictions on the use of NAFs.

**3.6.** Contributions or support for private individuals or organizations, other NAF instrumentalities, or nongovernment organizations.

**3.7.** Contributions to national or local charities, foundations, or similar organizations. An exception is allowed in the case of a death, where donations may be made to charitable organizations instead of flowers if requested by the bereaved (see paragraph 2.5).

**3.8.** Financing DOD or Service-directed programs, operations, or services having no connection with MWR.

**3.9.** Gifts or amenities except as outlined in paragraph 2.

**3.10.** Free alcoholic beverage or open bars for any function.

**3.11.** Heavy hors d'oeuvres at all functions.

**3.12.** Individual membership fees in professional, scientific, or technical societies and associations.

**3.13.** Meals, hors d'oeuvres, entertainment, and protocol-type functions for Government personnel, except those specific events covered in paragraph 2.

**3.14.** Restricted access activities to which only specific grades or groups are invited.

**3.15.** TDY expenses or expenses for any purpose for which appropriated funds are authorized.

**3.16.** Ceremonies for re-enlistments, permanent change of station (PCS), and permanent change of assignment (PCA).

**4. Inventories.** TCCS-P must ensure that refreshments, mementos, and the like purchased for stock are inventoried and controlled. These actions are necessary because of the sensitivity of SM&W expenditures and the potential for loss and unauthorized use. Procedures for inventories and control of stock are published in AFI 34-209, Nonappropriated Fund Financial Management and Accounting, and AFI 65-107, Nonappropriated Funds Financial Management Oversight Responsibilities. As a minimum:

**4.1.** TCCS-P must maintain a perpetual inventory providing a clear audit trail of the items purchased and the specific purposes and events for which items were issued.

**4.2.** Disinterested individuals appointed by the Chief, Joint Secretariat (TCCS-CJS) will perform an annual inventory. TCCS-P will retain inventory certifications for audit purposes and provide copies to HQ AMC/A7 and TCJ8-BH.

**4.3.** Inventory items purchased with NAF will not be commingled with items purchased with appropriated official representation funds.